

In Re: Anthony & Pamela George)
District G2, Block 32S, Parcel D33) Shelby County
Residential Property)
Tax year 2005)

Statement of the Case

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$163,400	\$521,600	\$685,000	\$171,250

The undersigned administrative judge conducted a hearing of this matter on August 1, 2006 in Memphis. The appellants, Anthony and Pamela George, represented themselves at the hearing. Staff appraiser Elizabeth Triplett appeared on behalf of the Shelby County Assessor of Property.

The 1.16-acre parcel in question is located on Dove Meadow Cove East, in the Dogwood Grove subdivision of Germantown. Originally, this lot (#42) encompassed 1.61 acres – about one-half of which was subject to easements in favor of Memphis Light, Gas & Water and the Tennessee Valley Authority (TVA). In August of 2002, the appellants sold a 0.45-acre portion of the area affected by these easements to the city of Germantown for development of a greenway.¹

Based on an appraisal of the subject property by Tennessee licensee Albert J. Behnke, the appellants sought a reduced valuation of \$515,000. Mr. Behnke did not appear as a witness at the hearing; however, former supervisor William Chandler (of Chandler & Chandler) testified that the appraisal was prepared under Chandler's "watch" with significant input from him.

¹The sale price for this 19,502-square-foot strip (now identified as Parcel No. G2-32S-D33) was \$12,676.

property. Although that comparable was also within eyesight of the power lines, only 2,500 square feet of the 1.08-acre lot were covered by the TVA easement. 2332 Spring Hollow sold for \$460,000 on September 15, 2004. The appraiser's *net* adjustment (+12.6%) of the sale price was the most made to any of his comparables; but in percentage terms, the absolute *gross* adjustment (29.4%) was the least of the four. None of Mr. Behnke's other comparables was in the vicinity of a TVA tower. The adjusted sale prices for those three homes ranged from \$477,700 to \$533,900. In his written opinion, "[t]here is a severe negative market reaction to TVA power lines located adjacent to residential property."

The Assessor's representative questioned the adequacy of Mr. Behnke's modest (+\$4,000-\$5,000) adjustments for the less spacious garages of his comparables. Ms. Triplett explained that she did not include 2332 Spring Hollow in her market analysis because of its considerably smaller size. She accorded most weight to the August, 2002 sale of 9615 Deer Walk Cove for \$600,000, having downwardly adjusted that price by just \$5,100 (net). Except with respect to that 1.30-acre property, she made no adjustments to the comparable sale prices for the TVA tower on the subject lot. In Ms. Triplett's view, the presence of that structure was offset by the subject's greater land area.

Tenn. Code Ann. section 67-5-601(a) provides (in relevant part) that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values...."

Since the appellants seek to change the present valuation of the subject property, they have the burden of proof in this administrative proceeding. State Board Rule 0600-1-.11(1).

Ms. Triplett's 32% *gross* adjustment of the amount paid for 9615 Deer Walk Cove significantly exceeded the total adjustments (both positive and negative) made to the lower sale prices of her other two comparables (9410 Plantation Way and 9606 Gotten Way).² It is unclear, then, why she placed most reliance on her highest-priced comparable – particularly considering that it sold over two years before the reappraisal date. See International Association of Assessing Officers, Property Appraisal and Assessment Administration (1990), p. 171.

In the opinion of the administrative judge, despite the substantial size differential, the recent sale of nearby 2332 Spring Hollow provides the best indicator in the record of the subject property's market value on January 1, 2005. Only that comparable, after all, suffers – albeit to a lesser degree – from the very same obstruction that afflicts the subject.

Yet, as the Assessor's representative suggested, Mr. Behnke did appear to understate the contributory value of the appellants' more desirable garage in his sales comparison approach. Especially in light of the partial climate control feature, a positive adjustment on the

²The adjusted sale prices for 9410 Plantation Way and 9606 Gotten Way were \$581,800 and \$520,500, respectively.

order of \$25,000 would seemingly have been more appropriate. Hence the administrative judge respectfully recommends that the subject property be valued at \$535,000.

Order

It is, therefore, ORDERED that the following values be adopted for tax year 2005:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$163,400	\$371,600	\$535,000	\$133,750

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this ~~0~~th day of September, 2006.



PETE LOESCH
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: Anthony & Pamela George
Tameaka Stanton-Riley, Appeals Manager, Shelby County Assessor's Office